TITLE 326 AIR POLLUTION CONTROL BOARD

FIRST NOTICE OF COMMENT PERIOD

LSA Document #07-309

DEVELOPMENT OF AMENDMENTS TO RULES CONCERNING SULFUR DIOXIDE, NITROGEN OXIDES, AND PARTICULATE MATTER EMISSION LIMITATIONS AT F. B. CULLEY GENERATING STATION, NEWBURGH, INDIANA

PURPOSE OF NOTICE

The Indiana Department of Environmental Management (IDEM) is soliciting public comment on amendments to rules concerning sulfur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter (PM) emission limitations for F. B. Culley Generating Station located in Newburgh, Indiana. IDEM seeks comment on the affected citations listed and any other provisions of Title 326 that may be affected by this rulemaking.

CITATIONS AFFECTED: 326 IAC 6.5; 326 IAC 7-4-10; 326 IAC 10.

AUTHORITY: IC 13-14-8; IC 13-17-3-4.

SUBJECT MATTER AND BASIC PURPOSE OF RULEMAKING Basic Purpose and Background

Southern Indiana Gas and Electric Company (SIGECO) has requested that IDEM add requirements from a federal consent decree (Civil Action No. IP99-1692 C-M/F) for the F. B. Culley Generating Station located in Newburgh, Indiana, to state rule and the state implementation plan (SIP). The consent decree requires SIGECO to request a source-specific SIP revision that incorporates enforceable unit-specific emission limitations and control requirements. The consent decree may not be terminated until the source has obtained the SIP revision. The requirements in the consent decree that apply to F. B. Culley Unit 1 will not be included in this rulemaking, since the unit was shut down on December 16, 2006. The requirements that IDEM is proposing to add to state rule are as follows:

- Operate the selective catalytic reduction (SCR) system at Unit 3 at all times the unit is in operation
 consistent with the technological limitations, manufacturers' specifications, and good operating practices for
 the SCR. Unit 3 shall meet a nitrogen oxides (NO_x) emission limit of 0.100 pound per million British thermal
 units (lb/MMBtu) on a 30-day rolling average.
- Units 2 and 3 shall meet a removal rate for sulfur dioxide (SO₂) of 95% using CEMS data from both the inlet
 and outlet of the control device.
- Operate a baghouse at Unit 3 at all times the unit is combusting coal. Unit 3 shall meet a particulate matter (PM) emissions limit of 0.015 lb/MMBtu.

Alternatives to Be Considered Within the Rulemaking

Alternative 1. Add emission limitation requirements as specified in a consent decree to state rule for approval in the SIP.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? This rule ensures
 consistency with a federal consent decree between U.S. EPA and SIGECO.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Alternative 2. Do not add emission limitation requirements as specified in a consent decree to state rule for approval in the SIP.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? No.
- If it is a federal requirement, is it different from federal law? This alternative would conflict with requirements in a federal consent decree for the source to obtain a revision to state rule and SIP.
- If it is different, describe the differences. If emission requirements from the federal consent decree were not adopted into state rule and SIP then the consent decree would not have a termination date as provided for in the consent decree.

Applicable Federal Law

This rule is consistent with a federal consent decree (Civil Action No. IP99-1692 C-M/F) that requires the affected source to obtain SIP approval for the emission requirements contained in the consent decree.

Potential Fiscal Impact

There is no fiscal impact associated with either alternative. The source has already incurred the cost of complying with the federal consent decree.

Small Business Assistance Information

IDEM established a compliance and technical assistance (CTAP) program under IC 13-28-3. The program provides assistance to small businesses and information regarding compliance with environmental regulations. In accordance with IC 13-28-3 and IC 13-28-5, there is a small business assistance program ombudsman to provide a point of contact for small businesses affected by environmental regulations. Information on the CTAP program, the monthly CTAP newsletter, and other resources available can be found at:

www.in.gov/idem/compliance/ctap/index.html

Small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator:

Sandra El-Yusuf

IDEM Compliance and Technical Assistance Program

OPPTA - MC60-04

100 N. Senate Avenue

W-041

Indianapolis, IN 46204-2251

(317) 232-8578

selyusuf@idem.in.gov

The Small Business Assistance Program Ombudsman is:

Megan Tretter

IDEM Small Business Assistance Program Ombudsman

MC 50-01 - IGCN 1307

100 N. Senate Ave.

Indianapolis, IN 46204-2251

(317) 234-3386

mtretter@idem.in.gov

Public Participation and Workgroup Information

At this time, no workgroup is planned for the rulemaking. If you feel that a workgroup or other informal discussion on the rule is appropriate, please contact Susan Bem, Rules Development Section, Office of Air at (317) 233-5697 or (800) 451-6027 (in Indiana).

STATUTORY AND REGULATORY REQUIREMENTS

<u>IC 13-14-8-4</u> requires the board to consider the following factors in promulgating rules:

- (1) All existing physical conditions and the character of the area affected.
- (2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- (3) Zoning classifications.
- (4) The nature of the existing air quality or existing water quality, as the case may be.
- (5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.
- (6) Economic reasonableness of measuring or reducing any particular type of pollution.
- (7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to human, plant, animal, or aquatic life or to the reasonable enjoyment of life and property.

REQUEST FOR PUBLIC COMMENTS

At this time, IDEM solicits the following:

- (1) The submission of alternative ways to achieve the purpose of the rule.
- (2) The submission of suggestions for the development of draft rule language.

Mailed comments should be addressed to:

#07-309(APCB) Vectren/SIGECO

Susan Bem Mail Code 61-50

c/o Administrative Assistant

Rules Development Section

Office of Air Quality

Indiana Department of Environmental Management

100 North Senate Avenue

Indianapolis, Indiana 46204.

Hand delivered comments will be accepted by the IDEM receptionist on duty at the tenth floor reception desk, Office of Air Quality, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana.

Comments may be submitted by facsimile at the IDEM fax number: (317) 233-2342, Monday through Friday, between 8:15 a.m. and 4:45 p.m. Please confirm the timely receipt of faxed comments by calling the Rules Section at (317) 233-0426.

DIN: 20070620-IR-326070309FNA

COMMENT PERIOD DEADLINE

Indiana Register

Comments must be postmarked, faxed, or hand delivered by July 20, 2007.

Additional information regarding this action may be obtained from Susan Bem, Rules Development Section, Office of Air Quality, (317) 233-5697 or (800) 451-6027 (in Indiana).

Patricia Troth, Section Chief Rules Development Section Air Programs Branch Office of Air Quality

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